



6450-01-P

DEPARTMENT OF ENERGY

Southeastern Power Administration

Notice of Interim Approval of Rate Schedules for Kerr-Philpott System

AGENCY: Southeastern Power Administration, Energy (DOE).

ACTION: Notice of interim approval.

SUMMARY: The Administrator for the Southeastern Power Administration (Southeastern) has confirmed and approved, on an interim basis, new rate schedules VA-1-D, VA-2-D, VA-3-D, VA-4-D, DEP-1-D, DEP-2-D, DEP-3-D, DEP-4-D, AP-1-D, AP-2-D, AP-3-D, AP-4-D, NC-1-D, and Replacement-2-C. These rate schedules are applicable to Southeastern power sold to existing preference customers in the Virginia and North Carolina service area. The rate schedules are approved on an interim basis through September 30, 2025, and are subject to confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis.

DATES: The approval of rates on an interim basis is effective October 1, 2020.

FOR FURTHER INFORMATION CONTACT: Cathy Stillson, Power Marketing Advisor, Finance and Marketing, Southeastern Power Administration, U.S. Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635-6711, (706) 213-3847; Email:

Cathy.Stillson@sepa.doe.gov.

SUPPLEMENTARY INFORMATION: FERC, by order issued February 24, 2016, 154 FERC ¶ 62,129, confirmed and approved Rate Schedules VA-1-C, VA-2-C, VA-3-C, VA-4-C, DEP-1-C, DEP-2-C, DEP-3-C, DEP-4-C, AP-1-C, AP-2-C, AP-3-C, AP-4-C, NC-1-C, and Replacement-2-B, for the period October 1, 2015, through September 30, 2020. This order

replaces these rate schedules on an interim basis, subject to final approval by FERC.

Signing Authority

This document of the Department of Energy was signed on August 18, 2020, by Virgil G. Hobbs, III, Administrator for Southeastern Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on August 21, 2020.

Treena V. Garrett,
Federal Register Liaison Officer,
U.S. Department of Energy.

DEPARTMENT OF ENERGY
ADMINISTRATOR, SOUTHEASTERN POWER ADMINISTRATION

In the Matter of:

Southeastern Power Administration
Kerr-Philpott System Power Rates

) Rate Order No. SEPA-63
)

**ORDER CONFIRMING AND APPROVING
POWER RATES ON AN INTERIM BASIS**

Pursuant to Section 302(a) of the Department of Energy Organization Act (Public Law 95-91, 42 U.S.C. 7152(a)), the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), relating to the Southeastern Power Administration (Southeastern), were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated to Southeastern's Administrator the authority to develop power and transmission rates, to the Deputy Secretary of Energy the authority to confirm, approve, and place such rates into effect on an interim basis, and to the Federal Energy Regulatory Commission (FERC) the authority to confirm, approve, and place into effect on a final basis, or to disapprove, rates developed by the Administrator under the delegation. By Delegation Order No. 00-002.00S, effective January 15, 2020, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary of Energy. By Redelelegation Order No. 00-002.10E, effective February 14, 2020, the Under Secretary of Energy further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelelegation Order No.

00-002.10-03, effective July 8, 2020, the Assistant Secretary for Electricity further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Administrator, Southeastern Power Administration. This rate is issued by the Administrator, Southeastern Power Administration pursuant to the authority delegated in Redelegation Order No. 00-002.10-03.

BACKGROUND

Power from the Kerr-Philpott Projects is presently sold under Wholesale Power Rate Schedules VA-1-C, VA-2-C, VA-3-C, VA-4-C, DEP-1-C, DEP-2-C, DEP-3-C, DEP-4-C, AP-1-C, AP-2-C, AP-3-C, AP-4-C, NC-1-C, and Replacement-2-B. These rate schedules were approved by FERC on February 24, 2016, for a period ending September 30, 2020 (154 FERC ¶ 62,129).

Public Notice and Comment

Notice of proposed rates and opportunities for public review and comment for the Kerr-Philpott System was published in the *Federal Register* (85 FR 17572) on March 30, 2020. Southeastern proposed to update and extend existing schedules of rates and charges applicable to the sale of power from the Kerr Philpott System effective October 1, 2020, through September 30, 2025. The notice advised interested parties of Southeastern's determination that holding a public information and comment forum for this rate action, in accordance with 10 CFR 903.23(a), would not be necessary. Instead, Southeastern announced a 30-day consultation and comment period to give the public an opportunity to comment, with written comments due on or before April 29, 2020.

The proposed rate schedules extended the existing initial base rate of \$4.40 per kilowatt per month for capacity and the initial base rate of 17.80 mills per kilowatt-hour charge for

energy, which expire September 30, 2020, through September 30, 2025. The rates are based on a repayment study estimating the Kerr-Philpott System will produce the following net revenue available for repayment (rounded to the nearest \$10,000):

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$ 200,000	\$ 200,000
2021	\$ 2,560,000	\$ 2,760,000
2022	\$ 2,940,000	\$ 5,700,000
2023	\$ 2,360,000	\$ 8,060,000
2024	\$ 2,430,000	\$ 10,490,000
2025	\$ 2,130,000	\$ 12,620,000
2026	\$ 2,210,000	\$ 14,830,000
2027	\$ 2,310,000	\$ 17,140,000
2028	\$ 2,420,000	\$ 19,560,000
2029	\$ 2,530,000	\$ 22,090,000

The proposed rates continue a true-up of the capacity and energy rates based on the cumulative net revenue available for repayment from the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt-hour. For every \$100,000 over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt-hour, to be implemented April 1 of the next fiscal year. The extension of rates and the

continuation of the true-up based on the updated amounts of cumulative net revenue available for repayment ensure repayment within cost recovery criteria.

Public Comments

Southeastern received no comments in response to the “Notice of proposed rates and opportunities for public review and comment” published in the *Federal Register* at 85 FR 17572 on March 30, 2020.

DISCUSSION

System Repayment

An examination of Southeastern’s revised system power repayment study, prepared in March 2020 for the Kerr-Philpott System, shows that with the proposed rates, all system power costs are repaid within the appropriate repayment period and meet the cost recovery criteria set forth in DOE Order RA 6120.2. The Administrator of Southeastern Power Administration has certified that the rates are consistent with applicable law, and that they are the lowest possible rates to customers consistent with sound business principles.

Environmental Impact

Southeastern has reviewed the possible environmental impacts of the rate adjustment under consideration and has concluded that, because the adjusted rates would not significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969, as amended, the proposed action is not a major Federal action for which preparation of an Environmental Impact Statement is required.

Determination Under Executive Order 12866

Southeastern has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Availability of Information

Information regarding these rates, including studies and other supporting materials is available for public review in the offices of Southeastern Power Administration, 1166 Athens Tech Road, Elberton, Georgia 30635, and in the Power Marketing Liaison Office, James Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

ORDER

In view of the foregoing and pursuant to the authority redelegated to me by the Assistant Secretary for Electricity, I hereby confirm and approve on an interim basis, effective October 1, 2020, attached Wholesale Power Rate Schedules VA-1-D, VA-2-D, VA-3-D, VA-4-D, DEP-1-D, DEP-2-D, DEP-3-D, DEP-4-D, AP-1-D, AP-2-D, AP-3-D, AP-4-D, NC-1-D, and Replacement-2-C. The Rate Schedules shall remain in effect on an interim basis through September 30, 2025, unless such period is extended or until FERC confirms and approves them or substitutes Rate Schedules on a final basis.

Dated: August 18, 2020

Virgil G. Hobbs, III
Administrator, Southeastern Power Administration

Wholesale Power Rate Schedule VA-1-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted and scheduled pursuant to contracts between the Government, Virginia Electric and Power Company (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), and the Customer. This rate schedule is applicable to customers receiving power from the Government on an arrangement where the Company schedules the power and provides the Customer a credit on their bill for Government power. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity

charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and any ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the

Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charge:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule VA-2-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted pursuant to contracts between the Government, Virginia Electric and Power Company (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government. The Government is responsible for arranging transmission with the Company and PJM. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
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2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity

charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and any ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and ancillary services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to

refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charge:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule VA-3-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be scheduled pursuant to contracts between the Government, Virginia Electric and Power Company (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), and the Customer. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
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2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
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2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills

per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for Transmission and Ancillary Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services,

and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charge:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which

the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule VA-4-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina served through the transmission facilities of Virginia Electric and Power Company (hereinafter called the Company) and PJM Interconnection LLC (hereinafter called PJM). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company

schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
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2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the

capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a

project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charge:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery

points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule DEP-1-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be transmitted and scheduled pursuant to contracts between the Government and Duke Energy Progress (formerly known as Carolina Power & Light Company and hereinafter called the Company) and the Customer. This rate schedule is applicable to customers receiving power from the Government on an arrangement where the Company schedules the power and provides the Customer a credit on their bill for Government power. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under

appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000

2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$1.5297 per kilowatt of total contract demand per month as of February 2020, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The rate is subject to periodic adjustment and will be computed in accordance with the terms of the Government-Company contract.

Proceedings before FERC involving the Company's Open Access Transmission Tariff (OATT) or the distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule DEP-2-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be transmitted pursuant to contracts between the Government and Duke Energy Progress (formerly

known as Carolina Power & Light Company and hereinafter called the Company) and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government. The Government is responsible for arranging transmission with the Company. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will

reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$1.5297 per kilowatt of total contract demand per month as of February 2020, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The rate is subject to periodic adjustment and will be computed in accordance with the terms of the Government-Company contract.

Proceedings before FERC involving the Company's Open Access Transmission Tariff (OATT) or the distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in

accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule DEP-3-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be scheduled pursuant to contracts between the Government and Duke Energy Progress (formerly known as Carolina Power & Light Company and hereinafter called the Company) and the Customer. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the

actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Proceedings before FERC involving the Company's Open Access Transmission Tariff (OATT) or the distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of

February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be

governed by the terms of the Government-Company contract.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule DEP-4-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina served through the transmission facilities of Duke Energy Progress (formerly known as Carolina Power & Light Company and hereinafter called the Company). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the

actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for

transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-1-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia to whom power may be transmitted and scheduled pursuant to contracts between the Government, American Electric Power Service Corporation (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), and the Customer. This rate schedule is applicable to customers receiving power from the Government on an arrangement where the Company schedules the power and provides the Customer a credit on their bill for Government power. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills

per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charges:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the

capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-2-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom

is hereinafter called the Customer) in Virginia to whom power may be transmitted pursuant to contracts between the Government, American Electric Power Service Corporation (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government. The Government is responsible for arranging transmission with the Company. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills

per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Transmission:

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charges:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the

capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by American Electric Power Service Corporation under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-3-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom

is hereinafter called the Customer) in Virginia to whom power may be scheduled pursuant to contracts between the Government, American Electric Power Service Corporation (hereinafter called the Company), PJM Interconnection LLC (hereinafter called PJM), and the Customer. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will

produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a

maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of

February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charges:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the

energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-4-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia served through the facilities of American Electric Power Service Corporation (hereinafter called the Company) and PJM Interconnection LLC (hereinafter called PJM). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000

2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
20228	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for Transmission and Ancillary Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as

determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

Capacity Performance Non-Performance Charges:

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or

otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule NC-1-D

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted pursuant to a contract between the Government and Virginia Electric and Power Company (hereinafter called the Virginia Power) and PJM Interconnection LLC (hereinafter called PJM), scheduled pursuant to a contract between the Government and Duke Energy Progress (formerly known as Carolina Power & Light and hereinafter called DEP), and billed pursuant to contracts between the Government and the Customer. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Virginia Power's transmission and distribution system.

Monthly Rate:

The initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$200,000	\$200,000
2021	\$2,560,000	\$2,760,000
2022	\$2,940,000	\$5,700,000
2023	\$2,360,000	\$8,060,000
2024	\$2,430,000	\$10,490,000
2025	\$2,130,000	\$12,620,000
2026	\$2,210,000	\$14,830,000
2027	\$2,310,000	\$17,140,000
2028	\$2,420,000	\$19,560,000
2029	\$2,530,000	\$22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Virginia Power and DEP. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of Virginia Power's or DEP's rate.

Transmission:

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

Ancillary Services:

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is

presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Virginia Power or PJM's OATT.

Transmission, System Control, Reactive, and Regulation Services:

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving Virginia Power's, DEP's, or PJM's OATT.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to Virginia Power (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Virginia Power's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the

last day of each calendar month.

Wholesale Power Rate Schedule Replacement-2-B

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and Virginia to whom power is provided pursuant to contracts between the Government and the customer from the John H. Kerr and Philpott Projects (or Kerr-Philpott System).

Applicability:

This rate schedule shall be applicable to the sale of wholesale energy purchased to meet contract minimum energy and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The energy supplied hereunder will be delivered at the delivery points provided for under appropriate contracts between the Government and the Customer.

Monthly Charge:

The customer will pay its ratable share of Southeastern's monthly cost for replacement energy. The ratable share will be the cost allocation factor for the customer listed in the table below times Southeastern's monthly cost for replacement energy purchased for the Kerr-Philpott System, rounded to the nearest \$0.01.

Contract Number 89-00- 1501-	Customer	Capacity Allocation	Average Energy	Cost Allocation Factor
1230	Albemarle EMC	2,593	6,978,071	1.5868510%
1221	B-A-R-C EC	3,740	10,099,971	2.2967870%
853	Brunswick EMC	3,515	10,069,899	2.2899490%
854	Carteret-Craven EMC	2,679	7,674,895	1.7453120%
869	Carteret-Craven EMC	56	42,281	0.0096150%
855	Central EMC	1,239	3,549,532	0.8071830%
1220	Central Virginia EC	7,956	21,618,671	4.9162010%
1203	City of Bedford	1,200	906,166	0.2060670%
1204	City of Danville	5,600	4,228,775	0.9616460%
895	City of Elizabeth City	2,073	1,565,205	0.3559360%
1215	City of Franklin	1,003	754,359	0.1715450%
878	City of Kinston	1,466	1,106,893	0.2517130%
880	City of Laurinburg	415	313,343	0.0712560%
881	City of Lumberton	895	675,764	0.1536720%
1205	City of Martinsville	1,600	1,208,222	0.2747560%
882	City of New Bern	1,204	909,072	0.2067280%
1206	City of Radford	1,300	981,575	0.2232150%
885	City of Rocky Mount	2,538	1,916,300	0.4357770%
1208	City of Salem	2,200	1,661,127	0.3777490%
892	City of Washington	2,703	2,040,882	0.4641070%
889	City of Wilson	2,950	2,227,377	0.5065170%
1222	Community EC	4,230	11,439,200	2.6013350%
1211	Craig-Botetourt EC	1,692	4,593,320	1.0445460%
1231	Edgecombe-Martin County EMC	4,155	11,327,753	2.5759920%
875	Fayetteville Public Works Commission	5,431	4,100,640	0.9325070%
856	Four County EMC	4,198	12,026,581	2.7349090%
891	Greenville Utilities Commission	7,534	5,688,496	1.2935940%
857	Halifax EMC	585	1,675,929	0.3811150%
1232	Halifax EMC	2,021	5,499,876	1.2507010%
1216	Harrisonburg Electric Commission	2,691	2,050,360	0.4662630%
858	Jones-Onslow EMC	5,184	14,851,310	3.3772670%
859	Lumbee River EMC	3,729	10,682,974	2.4293650%

1223	Mecklenburg EMC	11,344	30,927,112	7.0329910%
1224	Northern Neck EC	3,944	10,613,786	2.4136320%
1225	Northern Virginia EC	3,268	8,910,499	2.0262950%
860	Pee Dee EMC	2,968	8,502,833	1.9335900%
861	Piedmont EMC	1,086	3,111,400	0.7075490%
862	Pitt & Greene EMC	1,580	4,526,441	1.0293370%
1226	Prince George EC	2,530	6,808,541	1.5482990%
863	Randolph EMC	3,608	10,336,328	2.3505360%
1227	Rappahannock EC	22,427	60,687,959	13.8007690%
1233	Roanoke EMC	5,528	14,963,086	3.4026860%
1228	Shenandoah Valley EMC	9,938	27,049,304	6.1511560%
864	South River EMC	6,119	17,529,931	3.9864000%
1229	Southside EC	14,575	39,223,111	8.9195450%
865	Tideland EMC	680	1,948,088	0.4430060%
1234	Tideland EMC	2,418	6,579,856	1.4962940%
870	Town of Apex	145	109,482	0.0248970%
871	Town of Ayden	208	157,049	0.0357140%
893	Town of Belhaven	182	137,418	0.0312500%
872	Town of Benson	120	90,605	0.0206040%
1212	Town of Blackstone	389	292,568	0.0665320%
873	Town of Clayton	161	121,562	0.0276440%
1213	Town of Culpepper	391	297,916	0.0677480%
894	Town of Edenton	775	585,159	0.1330680%
1214	Town of Elkton	171	128,609	0.0292460%
1218	Town of Enfield	259	194,810	0.0443010%
874	Town of Farmville	237	178,946	0.0406930%
876	Town of Fremont	60	45,303	0.0103020%
896	Town of Hamilton	40	30,202	0.0068680%
897	Town of Hertford	203	153,274	0.0348550%
898	Town of Hobgood	46	34,732	0.0078980%
877	Town of Hookerton	30	22,651	0.0051510%
879	Town of La Grange	93	70,219	0.0159680%
868	Town of Louisburg	857	2,455,632	0.5584240%
883	Town of Pikeville	40	30,202	0.0068680%
884	Town of Red Springs	117	88,340	0.0200890%
1207	Town of Richlands	500	377,569	0.0858610%
899	Town of Robersonville	232	175,170	0.0398350%
900	Town of Scotland Neck	304	229,533	0.0521970%
886	Town of Selma	183	138,173	0.0314210%
887	Town of Smithfield	378	285,407	0.0649030%
901	Town of Tarboro	2,145	1,619,568	0.3682980%

888	Town of Wake Forest	149	112,501	0.0255830%
1217	Town of Wakefield	106	79,723	0.0181290%
1219	Town of Windsor	331	248,946	0.0566120%
866	Tri-County EMC	3,096	8,869,532	2.0169790%
867	Wake EMC	2,164	6,199,505	1.4098010%
Total		196,500	439,743,400	100.0000000%

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Facilitator (less any losses required by the Facilitator). The customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Facilitator's system.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

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